

TOWNSHIP OF BROOMFIELD
ISABELLA COUNTY, MICHIGAN

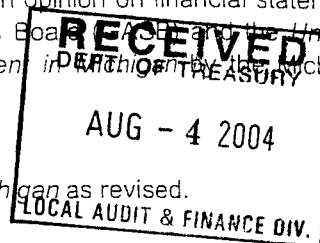
FINANCIAL REPORT
FOR THE YEAR ENDED MARCH 31, 2004

AUDITING PROCEDURES REPORT

Issued under P.A. 2 of 1968, as amended. Filing is mandatory.

Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name <i>Broomfield</i>	County <i>Isabella</i>
Audit Date <i>3/31/04</i>	Opinion Date <i>7/12/04</i>	Date Accountant Report Submitted to State: <i>7/31/04</i>	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan by the Michigan Department of Treasury.



We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- | | |
|---|---|
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements. |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980). |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended). |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act. |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]). |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit. |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year). |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241). |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95). |

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	<i>J</i>		
Reports on individual federal financial assistance programs (program audits).			<i>J</i>
Single Audit Reports (ASLGU).			<i>J</i>

Certified Public Accountant (Firm Name) <i>Barry B. Gauderke, CPA, PC</i>			
Street Address <i>1107 E. 9th Street</i>	City <i>Traverse City</i>	State <i>MI</i>	ZIP <i>49686</i>
Accountant Signature <i>Barry B. Gauderke CPA</i>			

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BROOMFIELD TOWNSHIP
ORGANIZATION
MARCH 31, 2004

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OFFICERS AND BOARD MEMBERS

Ronald E. Kirkwood	Supervisor
Linda E. Howard	Clerk
Betty J. Stiff	Treasurer
Harold Howard	Trustee
Maynard Strong	Trustee

Members of the Township Board
Broomfield Township
Isabella County, Michigan

Independent Auditor's Report

We have audited the accompanying financial statements of the Township of Broomfield, Michigan, as of and for the year ended March 31, 2004 as listed in the table of contents. These financial statements are the responsibility of the Township of Broomfield's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Since it was not practical to extend our auditing procedures into the prior unaudited year, we are unable to express an opinion on the consistency of application of accounting principles with the preceding year.

In our opinion, except for the effects of the omission of the information mentioned in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the Township of Broomfield, Michigan, as of March 31, 2004, and the results of its operations for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Barry E. Gaudette, CPA, P.C.

July 12, 2004

FINANCIAL SECTION

BROOMFIELD TOWNSHIP
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUP
MARCH 31, 2004
=====

	Governmental Fund Types	
	<u>General</u>	<u>Special Revenue</u>
<u>ASSETS</u>		
Cash	\$375,587	\$14,478
Receivables - special assessments		480
Due from other funds	608	
Land and land improvements		
Buildings and improvements		
Equipment		
	<hr/>	<hr/>
TOTAL ASSETS	<u>\$376,195</u>	<u>\$14,958</u>
<u>LIABILITIES & FUND EQUITY</u>		
LIABILITIES:		
Due to other funds	\$	\$
Due to other governmental units	<hr/>	<hr/>
	<hr/>	<hr/>
TOTAL LIABILITIES	<hr/>	<hr/>
FUND EQUITY:		
Investment in general fixed assets		
Fund balance:		
Undesignated	<u>376,195</u>	<u>14,958</u>
	<hr/>	<hr/>
TOTAL FUND EQUITY	<u>376,195</u>	<u>14,958</u>
	<hr/>	<hr/>
TOTAL LIABILITIES & FUND EQUITY	<u>\$376,195</u>	<u>\$14,958</u>

See notes to financial statements

<u>Fiduciary Fund Type</u>	<u>Account Group</u>	<u>Totals (Memorandum Only)</u>
<u>Trust and Agency</u>	<u>General Fixed Assets</u>	
\$ 608	\$	\$ 390,673
		480
		608
	28,606	28,606
	63,473	63,473
	29,044	29,044
<u>\$ 608</u>	<u>\$121,123</u>	<u>\$ 512,884</u>
 \$ 608		 \$ 608
<u>608</u>		<u>608</u>
	121,123	121,123
		<u>391,153</u>
	<u>121,123</u>	<u>512,276</u>
<u>\$ 608</u>	<u>\$121,123</u>	<u>\$ 512,884</u>

BROOMFIELD TOWNSHIP
**STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 GOVERNMENTAL FUND TYPES**
 FOR THE YEAR ENDED MARCH 31, 2004

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	Governmental Fund Types		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u></u>
REVENUES:			
Taxes	\$ 41,185	\$ 7,683	\$ 48,868
Licenses and permits	699		699
State grants	88,143		88,143
Charges for services	6,927	600	7,527
Interest	10,560	89	10,649
Other	<u>316</u>		<u>316</u>
TOTAL REVENUES	<u>147,830</u>	<u>8,372</u>	<u>156,202</u>
EXPENDITURES:			
Current:			
Legislative	11,465		11,465
General government	53,915	155	54,070
Public safety	22,347		22,347
Public works	64,617	10,777	75,394
Recreation	4,436		4,436
Capital outlay	<u></u>	<u></u>	<u></u>
TOTAL EXPENDITURES	<u>156,780</u>	<u>10,932</u>	<u>167,712</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES)	(8,950)	(2,560)	(11,510)
FUND BALANCE, beginning	<u>385,145</u>	<u>17,518</u>	<u>402,663</u>
FUND BALANCE, ending	<u>\$ 376,195</u>	<u>\$ 14,958</u>	<u>\$ 391,153</u>

See notes to financial statements

BROOMFIELD TOWNSHIP
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GOVERNMENTAL FUND TYPES
 FOR THE YEAR ENDED MARCH 31, 2004

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	General Fund		
	Original Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Taxes	\$ 36,000	\$ 41,185	\$ 5,185
Licenses and permits	700	699	(1)
State grants	90,000	88,143	(1,857)
Charges for services	6,100	6,927	827
Interest	7,400	10,560	3,160
Other		316	316
TOTAL REVENUES	<u>140,200</u>	<u>147,830</u>	<u>7,630</u>
EXPENDITURES:			
Current:			
Legislative	17,000	11,465	5,535
General government	62,900	53,915	8,985
Public safety	23,700	22,347	1,353
Public works	70,000	64,617	5,383
Recreation	8,000	4,436	3,564
Capital outlay			
TOTAL EXPENDITURES	<u>181,600</u>	<u>156,780</u>	<u>24,820</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(41,400)	(8,950)	32,450
FUND BALANCE, beginning	<u>50,000</u>	<u>385,145</u>	<u>335,145</u>
FUND BALANCE, ending	<u>\$ 8,600</u>	<u>\$ 376,195</u>	<u>\$ 367,595</u>

See note to financial statements

<u>Special Revenue Funds</u>		
<u>Original</u> <u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>
\$	\$ 7,683	\$ 7,683
	600	600
	89	89
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u>8,372</u>	<u>8,372</u>
	155	(155)
	10,777	(10,777)
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u>10,932</u>	<u>(10,932)</u>
	(2,560)	(2,560)
<u> </u>	<u>17,518</u>	<u>17,518</u>
<u>\$</u>	<u>\$ 14,958</u>	<u>\$ 14,958</u>

BROOMFIELD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2004
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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Township of Broomfield have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Government Auditing Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the Township are described below.

A. Reporting Entity

The Township of Broomfield was organized in 1866. The Township operates under an elected Board (5 members) and provides services to its more than 1,293 residents in many areas including fire and police protection, planning, road maintenance, parks and recreation.

In evaluating how to define the Township for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in NCGA Statement 3. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the Township's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the Township and/or its citizens, or whether the activity is conducted within the geographic boundaries of the Township and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the Township is able to exercise oversight responsibilities. Based upon the application of these criteria, the financial statements of certain other governmental organizations are not included in these financial statements.

BROOMFIELD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2004
(Continued)

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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

B. Basis of Presentation

The accounts of the Township are organized on the basis of funds each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts which are comprised of each fund's assets, liabilities, fund balance, and revenues and expenditures or expenses, as appropriate.

Government resources are allocated to and for individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into two broad fund type categories, five funds and one account group as follows:

Governmental Fund Type

These Funds are those through which most governmental functions typically are financed. The focus of Governmental Fund measurement is upon determination of financial position and changes in financial position (sources, uses, and balances of the financial resources) rather than upon net income. The following is a description of the Governmental Fund Type of the Township:

General Fund

The General Fund is the general operating fund of the Township. It is used to account for all financial resources except those required to be accounted for in another fund. Revenues are derived primarily from property taxes, State distributions, grants, and other intergovernmental revenues.

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trust or major capital projects) that are legally restricted to expenditures for specified purposes. This fund includes the Cemetery, Halls Lake and Ball funds.

BROOMFIELD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2004
(Continued)
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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

B. Basis of Presentation - Continued

Fiduciary Fund Type

Trust and Agency Funds are used to account for assets held by the Township in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. The Township has one Fiduciary Fund Type which has one individual funds as follows:

Agency Funds

Agency Funds are purely custodial (assets equal liabilities) and thus, do not involve measurement of results of operations. The Township's Current Tax Collection Fund is an Agency Fund.

Account Group

Account Groups are not funds; they do not reflect available financial resources and related liabilities, but are accounting records of the following:

General Fixed Assets Account Group

The General Fixed Assets Account Group is used to maintain control and cost information for all fixed assets of the Township utilized in its general operations.

C. Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

BROOMFIELD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2004
(Continued)

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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

C. Basis of Accounting - Continued

Modified Accrual

All Governmental Funds (General Fund) are accounting for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, property taxes and other revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred.

Taxpayer-assessed income, gross receipts and sales taxes are considered "measurable" when in the hands of intermediary collecting governments and are recognized as revenue at that time. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seem certain.

D. Cash and Cash Investments

Deposits are carried at cost. Deposits of the Township are at a local bank. Act 217, P.A. 1982, authorizes the Township to deposit and invest in the accounts of federally insured banks, insured credit unions and savings and loan associations; bonds and other direct obligations of the United States, or an agency or instrumentality of the United States; United States Government of Federal agency obligation repurchase agreements; bankers' acceptance of United States banks; mutual funds composed of investment vehicles which are legal for direct investment by standard rating agencies within the three highest classifications, which mature not more than 270 days after the date of purchase, and which involves no more than 50 percent of any one fund.

BROOMFIELD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2004
(Continued)

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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

E. Property Tax Revenue Recognition

Property tax revenues are recognized in the fiscal year for which they have been levied and become available. Available means when due, or past due and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter to be used to pay current period liabilities. The current period referred to here is a period of time not exceeding 60 days.

F. Inventories

Materials and supplies are expensed as purchased.

G. General Fixed Assets

The accounting and reporting treatment applied to property, plant and equipment associated with a fund are determined by its measurement focus. All Governmental Fund Types are accounted for on a spending "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. There, the reported fund balance (net current assets) is considered a measure of "available spendable resources".

Government fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Fixed assets used in Governmental Fund Type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in Governmental Funds. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems, are not capitalized along with other general fixed assets. Depreciation has not been provided on general fixed assets.

BROOMFIELD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2004
(Continued)
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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

G. General Fixed Assets - Continued

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date donated.

H. Capitalization of Interest on Fixed Assets

Generally accepted accounting principles require that interest expenditures incurred during construction of assets be capitalized. They are capitalized only to the extent that interest cost exceeds interest earned on related interest bearing investments. The Township did not capitalize interest on fixed assets in the current year.

I. Accumulated Fund Deficits

There were no accumulated fund deficits in the individual funds at March 31, 2004.

J. Encumbrance System

The Township does not use an encumbrance system.

K. Allowance for Doubtful Accounts

The Township does not use an allowance for doubtful accounts.

L. Accrued Vacation and Sick Leave

The Township does not maintain a policy providing sick and vacation benefits for its employees.

BROOMFIELD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2004
(Continued)

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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

M. Budgets

Annual operating budgets are adopted by the Township Board for the General Funds in accordance with Public Act 621 of 1978.

The Township follows these procedures in establishing the budgetary data reflected in the financial statements:

- a. At the first meeting in March, the Supervisor submits to the Township Board, a proposed operating budget for the year commencing the following April 1st. The operating budget includes proposed expenditures and the means of financing them for the General Fund.
- b. Public hearings are conducted at the Township Hall to obtain taxpayer comments.
- c. Prior to March 31st, the budget is legally enacted on a department (activity) basis through passage of a resolution.
- d. Budget amendments are made by the Township Board as the need arises during the year.
- e. Formal budgetary integration is employed as a management control device during the year for all budgetary funds. Also, all budgets are adopted on a basis consistent with generally accepted accounting principles.
- f. Budget appropriations lapse at year end.
- g. Adoption and amendments of all budgets used by the Township are governed by Public Act 621, and were complied with during the year ended March 31, 2004, except that the budgets did not account for the beginning and ending fund balances.

BROOMFIELD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2004
(Continued)
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NOTE 2: EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN BUDGETARY FUNDS

P.A. 621 of 1978, Section 18(1), as amended, provides that a local unit shall not incur expenditures in excess of the amount appropriated.

In the body of the financial statements, the Township's actual expenditures and budget expenditures for the budgetary funds have been shown on a functional basis. The approved budgets of the Township for these budgetary funds were adopted to the activity level.

During the year ended March 31, 2004, the Township did not incur expenditures in the budgetary funds which were in excess of the amounts appropriated in the General Fund. The Ball, Cemetery and Halls Lake Funds did not adopt a budget.

NOTE 3: CASH AND CASH INVESTMENTS

The Township's deposits are in accordance with statutory authority. The GASB Statement No. 3 risk disclosure for the Township's cash deposits are as follows:

	<u>Per Book</u>	<u>Per Bank</u>
Insured	\$312,140	\$312,140
Uninsured	<u>78,533</u>	<u>83,787</u>
Total	<u>\$390,673</u>	<u>\$395,927</u>

NOTE 4: INTERGOVERNMENTAL AGREEMENTS

Fire Department: The Township of Broomfield has entered into an agreement with the Millbrook-Rolland Township Fire Department to render fire protection to its residents.

BROOMFIELD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED MARCH 31, 2004
 (Continued)

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NOTE 5: PROPERTY TAX LEVY

	<u>Mills</u>	<u>Adjusted Levy</u>	<u>Collections</u>	<u>Delinquent</u>
Township-operating	<u>.94050</u>	<u>\$ 40,368</u>	<u>\$ 37,313</u>	<u>\$ 3,055</u>

The Township's Total Taxable Valuation is \$42,939,120.

Details of the property tax calendar are as follows:

Levy date:	December 31st of the prior year
Lien date:	December 1st
Due date:	December 1st
Collection date:	December 1st through the end of February of the next year

On or about March 1st of each year, the Township Treasurer turns the uncollected real property taxes over to the Isabella County Treasurer for collection.

NOTE 6: CHANGES IN GENERAL FIXED ASSETS

A summary of the changes in general fixed assets follows:

	<u>Balance 4/01/03</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 3/31/04</u>
Land	\$ 7,760	\$	\$	\$ 7,760
Land improvements	20,846			20,846
Buildings	39,485			39,485
Building improvements	23,988			23,988
Furniture & office equipment	<u>29,044</u>	<u></u>	<u></u>	<u>29,044</u>
Totals	<u>\$ 121,123</u>	<u>\$</u>	<u>\$</u>	<u>\$ 121,123</u>

BROOMFIELD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2004
(Continued)
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NOTE 7: INTERFUND TRANSACTIONS

Following is a description of the basic types of interfund transactions and the related accounting policy:

Transactions for services rendered or facilities provided; these transactions are recorded as revenue in the receiving fund and expenditures in the disbursing fund.

Transactions to transfer revenue or contributions from the fund budgeted to receive them to the fund budgeted to expend them; these transactions are recorded as transfers in and transfers out.

Interfund transactions are not eliminated for financial presentation purposes.

The Township had no interfund transactions during the fiscal year ended March 31, 2004.

NOTE 8: INDIVIDUAL FUNDS PRESENTATION

The General and Agency funds are the only funds of their individual fund kind. Therefore, they are not presented in a combining statement in the supplemental data portion of this report.

NOTE 9: RELATED PARTY TRANSACTIONS

Nothing came to our attention during the audit effort that would warrant separate mention related to transactions between the Township and its employees and/or elected officials.

BROOMFIELD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2004
(Continued)
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NOTE 10: SUBSEQUENT EVENTS

No subsequent events have come to our attention that require disclosure at this time.

NOTE 11: COMPARATIVE DATA

Comparative total data for the prior year has not been presented in the accompanying financial statements because prior year financial statements were not audited.

NOTE 12: TOTAL COLUMN ON COMBINED STATEMENTS - OVERVIEW

The total column on the Combined Statements - Overview is captioned "Memorandum Only" to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position, results of operations or cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

SUPPLEMENTARY DATA SECTION

Combining and Individual Fund Statements

TOWNSHIP OF BROOMFIELD
 COMBINING BALANCE SHEET
 ALL SPECIAL REVENUE FUNDS
 MARCH 31, 2004
 =====

	<u>Ball</u>	<u>Cemetery</u>	<u>Halls Lake</u>	<u>Total</u>
<u>ASSETS</u>				
Cash	\$ 385	\$ 8,918	\$ 5,175	\$14,478
Special assessments receivable			480	480
TOTAL ASSETS	<u>\$ 385</u>	<u>\$ 8,918</u>	<u>\$ 5,655</u>	<u>\$14,958</u>
<u>LIABILITIES & FUND BALANCE</u>				
LIABILITIES:				
Due to other funds	\$	\$	\$	\$
FUND BALANCE:				
Unreserved:				
Undesignated	<u>385</u>	<u>8,918</u>	<u>5,655</u>	<u>14,958</u>
TOTAL LIABILITIES & FUND BALANCE	<u>\$ 385</u>	<u>\$ 8,918</u>	<u>\$ 5,655</u>	<u>\$14,958</u>

TOWNSHIP OF BROOMFIELD
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 ALL SPECIAL REVENUE FUNDS
 MARCH 31, 2004

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	<u>Ball</u>	<u>Cemetery</u>	<u>Halls Lake</u>	<u>Total</u>
REVENUES:				
Special assessments	\$	\$	\$ 7,683	\$ 7,683
Charges for services		600		600
Interest	<u>3</u>	<u>59</u>	<u>27</u>	<u>89</u>
TOTAL REVENUES	<u>3</u>	<u>659</u>	<u>7,710</u>	<u>8,372</u>
EXPENDITURES:				
Current:				
General government:				
Cemetery		155		155
Recreation				
Public works	<u></u>	<u></u>	<u>10,777</u>	<u>10,777</u>
TOTAL EXPENDITURES	<u></u>	<u>155</u>	<u>10,777</u>	<u>10,932</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	3	504	(3,067)	(2,560)
FUND BALANCE, beginning	<u>382</u>	<u>8,414</u>	<u>8,722</u>	<u>17,518</u>
FUND BALANCE, ending	<u>\$ 385</u>	<u>\$ 8,918</u>	<u>\$ 5,655</u>	<u>\$14,958</u>

TOWNSHIP OF BROOMFIELD
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
 FOR THE YEAR ENDED MARCH 31, 2004

=====

	Original Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Taxes	\$ 36,000	\$ 41,185	\$ 5,185
Licenses and permits	700	699	(1)
State grants	90,000	88,143	(1,857)
Charges for services	6,100	6,927	827
Interest and rents	7,400	10,560	3,160
Other	<u> </u>	<u>316</u>	<u>316</u>
TOTAL REVENUES	<u>140,200</u>	<u>147,830</u>	<u>7,630</u>
EXPENDITURES:			
Current:			
Legislative	17,000	11,465	5,535
General government:			
Supervisor	7,600	7,536	64
Elections	1,500	755	745
Assessor	16,000	15,311	689
Clerk	8,500	7,831	669
Treasurer	13,500	12,315	1,185
Building & grounds	8,000	4,002	3,998
Cemetery	7,800	6,165	1,635
Public Safety:			
Fire protection	23,000	21,652	1,348
Planning	700	695	5
Public works:			
Roads	70,000	64,617	5,383
Recreation:			
Parks	<u>8,000</u>	<u>4,436</u>	<u>3,564</u>
TOTAL EXPENDITURES	<u>181,600</u>	<u>156,780</u>	<u>24,820</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(41,400)	(8,950)	32,450
FUND BALANCE, beginning	<u>50,000</u>	<u>385,145</u>	<u>335,145</u>
FUND BALANCE, ending	<u>\$ 8,600</u>	<u>\$376,195</u>	<u>\$ 367,595</u>

TOWNSHIP OF BROOMFIELD
STATEMENT OF GENERAL FUND EXPENDITURES
BY DETAILED ACCOUNT
FOR THE YEAR ENDED MARCH 31, 2004
=====

Township Board:	
Salaries and wages	\$ 3,531
Office supplies	488
Postage	74
Operating supplies	116
Mileage	53
Printing and publishing	1,515
Insurance and bonds	2,326
Workmen's compensation	181
Telephone	537
Miscellaneous	28
Payroll taxes	270
Memberships and dues	870
Education	693
Capital outlay	<u>783</u>
	<u>11,465</u>
Supervisor:	
Salary	7,000
Payroll taxes	<u>536</u>
	<u>7,536</u>
Elections:	
Wages	218
Printing and publishing	528
Payroll taxes	<u>9</u>
	<u>755</u>
Assessor:	
Contract	14,025
Support and updates	420
Printing	<u>866</u>
	<u>15,311</u>
Clerk:	
Salary	7,000
Office supplies	80
Postage	157
Printing	59
Payroll taxes	<u>535</u>
	<u>7,831</u>

TOWNSHIP OF BROOMFIELD
STATEMENT OF GENERAL FUND EXPENDITURES
BY DETAILED ACCOUNT
 FOR THE YEAR ENDED MARCH 31, 2004
 (CONTINUED)

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=====
Treasurer:
  Salary 10,500
  Office supplies 6
  Postage 740
  Program support 259
  Payroll taxes 803
  Equipment 7
  12,315

Building and grounds:
  Wages 492
  Supplies 2
  Repairs and maintenance 36
  Professional services 508
  Contracted services-snow plowing 515
  Utilities 1,375
  Building maintenance 427
  Rentals 500
  Payroll taxes 37
  Gravel 110
  4,002

Cemetery:
  Wages 1,611
  Repairs and maintenance 480
  Contracted services-mowing 2,800
  Rentals 1,147
  Payroll taxes 127
  6,165

Fire protection:
  Contracted services 21,652

Planning:
  Wages 646
  Education 49
  695
  
```

TOWNSHIP OF BROOMFIELD
STATEMENT OF GENERAL FUND EXPENDITURES
BY DETAILED ACCOUNT
FOR THE YEAR ENDED MARCH 31, 2004
(CONTINUED)

=====

Highways and streets:	
Contracted services	64,419
Street lighting	<u>198</u>
	<u>64,617</u>
 Recreation - parks:	
Wages	160
Supplies	360
Contracted services-refuse	458
Contracted services-mowing	2,800
Utilities	387
Repairs and maintenance	18
Miscellaneous	240
Payroll taxes	<u>13</u>
	<u>4,436</u>
 Total Expenditures	<u><u>\$ 156,780</u></u>

TOWNSHIP OF BROOMFIELD
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
 FOR THE YEAR ENDED MARCH 31, 2004

=====

	Balance April 1, <u>2003</u>	<u>Additions</u>	<u>Deductions</u>	Balance March 31, <u>2004</u>
<u>ASSETS</u>				
Cash - checking	\$ 814	\$1,281,940	\$1,282,146	\$ 608
TOTAL ASSETS	<u>\$ 814</u>	<u>\$1,281,940</u>	<u>\$1,282,146</u>	<u>\$ 608</u>
<u>LIABILITIES</u>				
Due to other funds	\$ 814	\$ 41,185	\$ 41,391	\$ 608
Due to other units	<u> </u>	<u>1,240,755</u>	<u>1,240,755</u>	<u> </u>
TOTAL LIABILITIES	<u>\$ 814</u>	<u>\$1,281,940</u>	<u>\$1,282,146</u>	<u>\$ 608</u>

COMMENTS AND RECOMMENDATIONS

Barry E. Gaudette, CPA, P.C.

CERTIFIED PUBLIC ACCOUNTANT

1107 East Eighth Street
Traverse City, Michigan 49686
(231) 946-8930
Fax (231) 946-1377

Members of the Township Board
Broomfield Township
Isabella County, Michigan

Our examination was made in accordance with auditing standards generally accepted in the United States of America and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

This letter supplements the information in the Financial Statements and Notes to Financial Statements. It is intended solely for the use of management and the Township Board and should not be used for any other purpose.

Barry E. Gaudette, CPA, PC

July 12, 2004